

1 R. COHEN

2 A Well, I guess I had heard it
3 for sure from Adam and from Mike Ward. Mike
4 was a guy who we had worked with on the Vega
5 project and who knew Greg.

6 Q What did Mike Ward say about
7 Greg's volatile personality?

8 A This was a long time ago, but
9 how can I say, if you have a friend and they
10 have personality characteristics then over
11 time you just tell stories about them and so
12 forth. So for example, there was a story
13 about Greg, and I can't remember who I heard
14 this from, I'm sure Adam told me this story,
15 but other people may have told it to me as
16 well, that when he worked for Rose Glen,
17 Adam's old firm, that he screamed vulgar
18 epithets at the head of the firm in front of
19 the other employees and so forth. But I
20 should certainly emphasize that Adam's close
21 relationship with Greg was a more important
22 factor than that in this up front decision
23 that Adam would lead the negotiations.
24 Obviously you had somebody who knew Greg very
25 well and worked with him and so obviously it

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2 made sense for him to be the person having
3 those conversations rather than me who didn't
4 have a close relationship with Greg.

5 Q Do you know if there was ever a
6 written contract between Greg and Gargoyle?

7 A I don't recall.

8 Q Regarding Vision Consulting you
9 mentioned the names of Jordan Fraser, David
10 Berger, and Antti as people who whenever it
11 was worked for Vision Consulting, correct?

12 A That's my recollection.

13 Q Let's start with Jordan Fraser.
14 Do you know how Jordan Fraser was to be
15 compensated?

16 A It's my recollection that
17 Jordan was originally compensated as a
18 consultant and was eventually made an
19 employee.

20 Q When you say he was compensated
21 as a consultant, did he receive a salary?

22 A He received regular payments
23 that at first we sort of agreed that those
24 were consulting payments. But I believe that
25 at some point we concluded that because he had

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2 gone into a role where he was coming into the
3 office every day full-time that it was
4 appropriate to view him as an employee and do
5 W2s instead of 1099s and so forth.

6 Q Do you know how much his
7 compensation was?

8 A I don't recall. If I were to
9 guess, I don't recall.

10 Q What work was Jordan Fraser
11 doing for Vision Consulting?

12 A Well, he was the first employee
13 so he sort of did whatever was needed. Lots
14 of administrative tasks, he did filing, he did
15 phone calls, he did emails, he would meet with
16 people, sort of a broad variety of tasks when
17 you have a very small organization of people.

18 Q What was his specialty?

19 A I don't really view Jordan as
20 having any kind of specialty.

21 Q Did he have a college degree?

22 A Sure.

23 Q What was it in?

24 A I don't know.

25 Q Was he an analyst, a financial

1 R. COHEN

2 analyst?

3 A I would not describe him as a
4 financial analyst.

5 Q If you had to describe him
6 would you describe him as an administrative
7 assistant, office manager?

8 A Jordan was recently out of
9 college. Most of the tasks he performed for
10 us were administrative, but he was using that
11 as a stepping stone in his career where he
12 expects to become a successful business
13 person. So while the actual tasks were mostly
14 of an administrative nature at the same time
15 he was trying to learn about higher level
16 tasks, and sometimes he would be entrusted
17 with those.

18 Q David Berger, what were his
19 responsibilities at Vision Consulting?

20 MR. FISHER: Just so that it's
21 clear I don't know that Mr. Cohen
22 definitively knows that Mr. Berger
23 started while Vision was still a
24 consulting firm.

25 THE WITNESS: Right.

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2 A I'm uncertain of the dates and
3 I don't want it to be said that I'm making
4 things up. There's just uncertainty on the
5 dates.

6 Q Why don't I just rephrase the
7 question. What was the first role or
8 responsibility you recall David Berger having
9 regardless of whom it was for?

10 A David has taken major
11 responsibility for dealing with finances,
12 accounting, books and records, clearing of
13 trades. So that area is what I would view as
14 the financial part of running a business of
15 this type. So keeping track of the numbers so
16 to speak.

17 Q Was David Berger always
18 considered an employee of whatever company it
19 was?

20 A It's possible that he was
21 originally a consultant. It's been a very
22 consistent practice of ours to work with some
23 people as consultants before making them
24 employees sort of as a test period. We've
25 done that many times and some of those people

1 R. COHEN

2 have become valuable full-time employees, and
3 some of them it's ended up just being a
4 consulting relationship.

5 Q What do you recall the first
6 title David Berger having?

7 A I don't recall. We don't give
8 a lot of titles at Vision.

9 Q Does he have a title now?

10 A I don't believe he does.
11 Sometimes we loosely refer to him as a
12 controller, but I don't think that's actually
13 his official title.

14 Q Did Gargoyle have offices?

15 A No. We worked in the Sagamore
16 Hill office some and then, of course, I worked
17 on research from my home computer and so
18 forth.

19 Q What was the registered address
20 for Gargoyle?

21 A I believe the registered
22 address was my home address in Massachusetts,
23 or possibly a mailbox address that I had in
24 Massachusetts.

25 Q Do you know if Gargoyle ever

1 R. COHEN

2 had a New York City address?

3 A I don't believe that Gargoyle
4 had a New York City address.

5 Q What was Vision Consulting's
6 location in 2003, its first location?

7 A Vision Consulting was
8 originally run out of an apartment on 77th
9 Street in Manhattan. Our official address was
10 probably a mailbox address, but we worked out
11 of an apartment.

12 Q At some point in time did
13 Vision Consulting move to a different
14 location, move out of working out of an
15 apartment?

16 A Sure. We worked out of an
17 apartment, then we moved to a bigger
18 apartment, then Adam moved to a bigger
19 apartment which we then used as our office,
20 and eventually, I believe this was after the
21 hedge fund started, I think the hedge fund
22 then moved into offices at 317 Madison Avenue.

23 Q What's the current address of
24 the hedge fund?

25 A 20 West 55th Street in New

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2 York.

3 Q How long has it been located
4 there?

5 A I believe since August of '06,
6 something like that, summer '06.

7 Q Was there a contract of
8 employment that Jordan Fraser had with Vision
9 or whatever entity he was working for?

10 A I don't recall.

11 Q How about David Berger, did he
12 have a contract of employment?

13 A He has one now. So at some
14 point there was a contract, I just don't
15 remember when that contract was signed.

16 Q Antti, what was Antti's role
17 when he began working for whatever entity?

18 A Antti has degrees in law and
19 business, but his law degree is from Europe so
20 I don't believe he's an attorney here. He
21 helped us with matters that are sort of an
22 operational and administrative nature.

23 Q When David Berger first began
24 working for whomever it was was he receiving a
25 regular salary?

1 R. COHEN

2 A As I said, there was certainly
3 a time when he began receiving a regular
4 salary. I cannot recall whether there was a
5 time prior to that where he didn't receive a
6 regular salary, but certainly at some point he
7 became a full-time employee with a regular
8 salary.

9 Q The hedge fund, who are the
10 owners of the hedge fund?

11 A The fund is owned by the
12 limited partners of the fund which is within a
13 hundred different institutions and
14 individuals. The advisor is owned by me, Adam
15 Benowitz, and the Tudor Rose Trust.

16 Q What's the Tudor Rose Trust?

17 A The Tudor Rose Trust is a
18 family trust that purchased stake in the
19 business.

20 Q What family trust? Is it
21 associated with you or Adam this trust?

22 A No.

23 Q What's the percentage of
24 ownership of those three?

25 A Equal partners; a third, a

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1

2 third, a third.

2

3 Q When Vision Opportunity Capital
4 Management was created in May or June of 2005
5 just so the record is clear, that is what is
6 now known as Vision Capital Advisors, correct?

3

4 Management was created in May or June of 2005

4

5 just so the record is clear, that is what is

5

6 now known as Vision Capital Advisors, correct?

6

7 A In June of 2005 an advisor was
8 created and then a set of funds were created.

7

8 created and then a set of funds were created.

8

9 The things with opportunity in their name

9

10 basically are the funds that got created.

10

11 Sorry, that doesn't help either because

11

12 originally Vision Opportunity Capital

12

13 Management was the name of the advisor. So

13

14 Vision Opportunity Capital Management the

14

15 advisor got created, a bunch of funds got

15

16 created with names like Vision Opportunity

16

17 Capital Partners and so forth. The consulting

17

18 firm continued to exist and then later there

18

19 was a name change.

19

20 Q Who were the owners of the
21 advisors which was originally known as Vision
22 Opportunity Capital Management?

20

21 advisors which was originally known as Vision

21

22 Opportunity Capital Management?

22

23 A At the time it was created the

23

24 owners were me and Adam Benowitz, and later

24

25 Tudor Rose purchased stakes and now there's

25

1 R. COHEN

2 three owners.

3 Q Were you to receive any type of
4 compensation as being a co-owner and working
5 for Vision Opportunity Capital Management?

6 A I mean as a partner I could
7 take partnership draws if there were profits
8 to the company, the advisor. It's an LLC so I
9 don't know if partner is exactly the right
10 term, but as an owner of the LLC I could take
11 draws if appropriate, Adam and I could take
12 draws.

13 Q What do you mean if
14 appropriate?

15 A Well, it's a business. In
16 other words, the business brings money in. If
17 you paid the money out all immediately to the
18 partners then you might not have money to pay
19 business expenses. So as owners of a business
20 you have to decide if it is appropriate in the
21 business to take any money out or if that
22 money is needed for running the business.

23 Q Were you receiving any type of
24 regular salary from Vision Opportunity Capital
25 Management?

1 R. COHEN

2 A No.

3 Q Do you know if Adam was
4 receiving any type of salary from Vision
5 Opportunity Capital Management?

6 A I don't recall.

7 Q Did you also have a provision
8 where you would receive a certain percentage
9 of the net profits at your fiscal year end?

10 A No, we were the owners of the
11 firm. In other words, it wasn't a matter of
12 the year's over so we'll take profits. It was
13 a matter of if the business could afford to
14 pay out profits and still maintain the
15 cooperations and grow the business effectively
16 then, of course, we might be interested in
17 taking profits out. But we could only take
18 them out if it was appropriate. It didn't
19 matter whether the year had ended because you
20 still needed to run the business.

21 Q Is there a time at which you
22 would make a determination as to whether or
23 not you were able to make a draw; that is
24 every week, every two weeks, at the end of the
25 month?

1 R. COHEN

2 A No, it was just something Adam
3 and I might discuss at any given time. We
4 might have a conversation like hey, how does
5 the financial picture look, can we afford to
6 take some money out.

7 Q Would you and Adam discuss the
8 issue of taking a draw out with each other
9 before you actually did it?

10 A Sure.

11 Q Was there ever a situation
12 where either one of you would have taken a
13 draw out without discussing it with the other
14 prior to?

15 A I don't recall that ever
16 happening. I mean, Adam and I are very close.
17 If he needed money very quickly and he
18 couldn't reach me and he took some money out
19 and we balanced it out later, that's something
20 that could have happened conceivably. But
21 under normal circumstances we would talk about
22 it and agree what was appropriate to take out.

23 Q Around the end of 2004 to the
24 beginning of 2005 you and Adam had discussed
25 change in strategies from the consulting to

1 R. COHEN

2 now creating a hedge fund, correct?

3 A Yes.

4 Q And then at some point in the
5 middle of 2005 the advisors and the hedge fund
6 was put online, was legally created, correct?

7 A Yes. I didn't hear the date.

8 Around June '05?

9 Q Yes.

10 A Yes.

11 Q What type of work had to be
12 done between your concept and June 2005?

13 A The big work was creating the
14 legal documents.

15 Q Was there any work done
16 regarding what companies you would look to
17 invest in?

18 A I would say Adam and I were
19 looking for potential companies to invest in
20 that we might invest in deals that might close
21 subsequent to the start of the hedge fund. We
22 were certainly looking for potential
23 companies, yes.

24 Q Was anybody else involved in
25 doing that, looking for potential companies to

1 R. COHEN

2 invest in?

3 A It's always been our belief
4 that we're always trying to find great
5 companies anywhere we can. So virtually
6 everyone I meet at some point I say to them
7 let me know if you see any good companies. So
8 in the sense that certainly anybody who worked
9 for us even though it was not David Berger's
10 main job to find companies, obviously if David
11 knew of a company he would tell us so we're
12 always on the lookout.

13 Q When Vision Advisors and the
14 hedge fund began legally in June or May of '05
15 did you already have companies that you knew
16 you were going to invest in?

17 A I don't believe we had any
18 deals we knew we were going to do at that
19 time, but we probably had some deals we were
20 thinking about possibly doing.

21 Q Was there any work done in
22 terms of tracking and looking at potential
23 companies prior to May or June of 2005?

24 A I have no direct recollection,
25 specific recollection of what companies there

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2 might have been. But suppose if someone had
3 called us May 10th and said here's a company
4 you should look at then we would have looked
5 at that company. And if we had decided in
6 July that it was a wonderful company and that
7 we wanted to invest then we made that
8 investment and that would fall into the
9 category you asked about. So it's perfectly
10 plausible that we might have looked at
11 companies prior to June 1 that we would have
12 invested in subsequent to June 1. I just
13 can't recall the names of any companies that
14 that actually was the case with.

15 Q Do you know if Greg Morgenweck
16 did anything for the hedge fund in between the
17 concept that you and Adam had and May or June
18 of 2005?

19 A I don't recall anything that
20 Greg would have had to have done or would have
21 done to get that fund to exist, you know, to
22 make that process happen, but I don't exclude
23 the possibility that he might have done
24 something.

25 Q Just so we're clear, do you

1 R. COHEN

2 know if Greg did any work or did anything for
3 Vision Consulting?

4 A I believe that he was
5 continuing to do work for Vision Consulting.
6 He continued to provide these reports at least
7 up until the start of the fund. That wouldn't
8 have stopped because we had the idea to do a
9 hedge fund. Those separate managed accounts,
10 managed accounts is not actually the
11 appropriate term. Those clients had holdings
12 and we tracked the value of the holdings and
13 so that obviously would have had to continue
14 at least up until the time the fund started.

15 Q So Greg did assist and did do
16 things for Vision Consulting?

17 A He did, but I think we've
18 discussed that that Greg provided a snapshot
19 page that summarized the holdings of the
20 managed accounts. We sometimes used the term
21 managed accounts to refer to these consulting
22 clients. It's not the appropriate term so
23 when I use it I apologize. I'm slipping
24 because I'm using a casual term which is not
25 right because we were not managing the

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2 account, we were not in control of those
3 assets. The investors fully controlled the
4 assets so there's I think some other legal
5 terminology for this case. But in other
6 words, the holdings of our consulting clients
7 we would keep track of because, of course, we
8 wanted to know whether those investments had
9 turned out to be profitable and whether they
10 owed us money and so forth.

11 Q Did Greg prepare reports for
12 Vision Consulting?

13 A Yes.

14 Q When did he begin preparing
15 those reports for Vision Consulting?

16 A I don't recall specifically,
17 but I imagine it must have been in 2004 at
18 some point.

19 Q Would it have been when he
20 first started working for you or with you?

21 A I'm not sure I follow the
22 question.

23 Q Which came first, Vision
24 Consulting or Gargoyle?

25 A So Vision Consulting closed its

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2 first deal in January of '04. Christopher and
3 I began developing the Gargoyle strategy in
4 the middle of '03. So I don't know when the
5 various legal entities were formed, but we
6 started working on Gargoyle before we closed
7 our first deal in Vision Consulting. Vision
8 Consulting did have its first investor do an
9 investment before Gargoyle started having
10 actual money put to work with Sagamore Hill.
11 So in terms of the conception Gargoyle came
12 first, and in terms of working on the business
13 Gargoyle came first. In terms of the first
14 money put to work by someone that the business
15 knew Vision got there first, but it was a very
16 small amount of money.

17 Q When Greg first started doing
18 work for Gargoyle was he also doing things for
19 Vision Consulting as well?

20 A I think that Greg had gotten
21 involved with Gargoyle and then as part of
22 that started doing things for Vision. As I
23 say, there was a process in my recollection in
24 which Greg was kind of showing his skills and
25 so it's possible that Greg did computer work

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2 for Gargoyle or for Vision Consulting prior to
3 an actual agreement being reached. Greg may
4 have been doing things to say let me show you
5 what you'll get if you agree to the terms that
6 I want so that's why I can't say to you what
7 the date was on which Adam and Greg sort of
8 shook hands on the ten percent of Gargoyle
9 deal and how that date compares to the date of
10 Greg's first efforts for Vision.

11 Q Would it be fair to say that
12 Adam is more involved in Vision Consulting
13 than you?

14 A Yes. I mean more hours, yes.

15 Q Would it be fair to say that
16 any dealings Greg had with Vision Consulting
17 he would have dealt with Adam and not you?

18 MR. FISHER: Objection to form.

19 A No, I don't think that would be
20 fair to say. If Greg produced a report for
21 Vision Consulting I might look at that report
22 or Adam might look at that report. Either of
23 us might communicate with Greg on that.

24 Q When Greg started working for
25 Gargoyle what was the understanding as to how

1 R. COHEN

2 much time he would have to work; was he to be
3 considered working full-time for Gargoyle?

4 MR. FISHER: Objection as to
5 form.

6 A It was our understanding that
7 the agreement was on what needed to get done
8 and not on how many hours it took. We didn't
9 require that he be in any particular time or
10 place generally speaking, we just needed the
11 tasks to be accomplished.

12 Q Did you require Greg to be in
13 New York to work for Gargoyle?

14 A No... There may have been a
15 couple of occasions on which he had to go on a
16 meeting somewhere, but certainly he was not
17 required to do his work from New York. And to
18 the best of my knowledge he did his work from
19 Pennsylvania.

20 Q Did you and Adam ever talk
21 about Greg doing things for Vision Consulting?

22 A Yes.

23 Q Before Greg worked at Gargoyle
24 did you talk to Adam about Greg doing work for
25 Vision Consulting as well or doing things for

1 R. COHEN

2 Vision Consulting?

3 A I can't recall whether any of
4 those conversations occurred before Greg got
5 involved with Gargoyle.

6 Q Do you know what exactly Greg
7 did for Vision Consulting?

8 A I think I have a reasonably
9 good idea.

10 Q Why don't you tell me?

11 A Greg tracked the holdings of
12 the clients so he got information on the
13 prices of stocks and he put that and then he
14 got information on the nature of the holdings
15 of the investor. For example, a certain
16 number of shares, and a certain number of
17 warrants, and then he would produce a report
18 that estimated the value of those holdings
19 according to a formula, and that was the
20 primary task.

21 Q You talked about this report
22 that generated estimated value according to a
23 formula. Who created the formula, do you
24 know?

25 A Well, there's a formula created

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2 by Fisher Black, Myron Scholes, and Robert
3 Merton which is known as the Black-Scholes
4 Model or the Black-Scholes-Merton Model. That
5 formula computes values of options and so that
6 was the primary formula that we employed for
7 evaluation of option like pay off such as
8 warrants.

9 Q When Greg first began his work
10 at Gargoyle do you know if he was working for
11 another company at the same time?

12 A I don't know. I believe that
13 at some point he was doing work for a company
14 called Rock Hill. I don't know if that
15 overlapped with the Gargoyle work although it
16 may have.

17 Q Prior to Greg doing things for
18 Vision Consulting did you ever have any type
19 of communication with Greg Morgenweck about
20 doing things or assisting Vision Consulting?

21 A I don't recall exactly when I
22 spoke to Greg or met with Greg as opposed to
23 when Adam had conversations and I just
24 communicated with Adam so I don't recall.

25 Q I'm not clear with your answer.

1 R. COHEN

2 Regardless of if it was before or after Greg
3 had conversations with Adam about doing work
4 or doing things for Vision Consulting let me
5 ask you this question. Did you ever have
6 conversations with Greg about his assisting
7 Vision Consulting?

8 A Yes. I spoke to Greg about the
9 reports he was producing.

10 Q What were those conversations
11 about?

12 A Well, for example, we
13 encountered a problem because the evaluations
14 that were showing up on Greg's report were not
15 matching calculations that were being done by
16 others and this created a problem in our audit
17 that there was a mis-match in the numbers.
18 There was back and forth of emails and I think
19 some phone conversations too in which we tried
20 to resolve the difficulty which turned out to
21 be that Greg had incorrectly implemented the
22 formula for evaluation of options, the
23 Black-Scholes Formula, and consequently
24 created difficulties in our audit because of
25 this mistake so I had to work with Greg to

1 R. COHEN

2 resolve that calculation error.

3 Q Who was doing the audit; was
4 this an inhouse audit?

5 A No, it was our 2005 year end
6 audit.

7 Q So this was something that
8 occurred in 2006 then?

9 A Yes.

10 Q Getting back to the
11 conversation you had, that would have been
12 work that he was doing for Vision Capital
13 Advisors, correct?

14 A That's a fair comment. Of
15 course, to the extent that the formula was
16 wrong it meant that it would have been wrong
17 for the consulting calculations too, but
18 you're absolutely right that that was later.
19 I'll give you another example. Because of my
20 vision problem I can't see things on a
21 computer screen if the screen is white and the
22 text is black which is, of course, the normal
23 setup. So I had discussions with Greg about
24 him creating a format for the snapshot reports
25 so that they would have a black background

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2 with white text so that I would be able to
3 read them. So I know I had that conversation
4 for example.

5 Q After that conversation were
6 the snapshots in the proper format so that you
7 could read them?

8 A Yes.

9 Q Let's get back to my question a
10 couple questions ago. Do you know if you had
11 conversations with Greg about him assisting
12 Vision Consulting prior to his actually
13 assisting Vision Consulting?

14 A I don't remember.

15 Q Do you know if Adam had
16 communications with Greg about assisting with
17 Vision Consulting prior to Greg actually
18 assisting with Vision Consulting?

19 A He did.

20 Q Did you ever talk with Adam
21 about those conversations he had with Greg?

22 A Yes.

23 Q When was the first time that
24 you remember talking to Adam about those
25 conversations?

1 R. COHEN

2 A I don't recall.

3 Q Would it have been
4 contemporaneously with Adam having the
5 conversation with Greg?

6 A Yes.

7 Q Do you remember the content of
8 those discussions?

9 A Yes. The content of the
10 discussions was that we wanted to work with
11 Greg on Gargoyle and it was Adam's feeling
12 that Gargoyle was a large complicated project
13 and that the Vision Consulting firm needed a
14 very small amount of administrative help that
15 Greg was well suited to provide and that we
16 should work out a deal with Greg whereby he
17 would receive a piece of Gargoyle profits in
18 return for doing the necessary work for
19 Gargoyle, but that as part of that deal he
20 would provide some administrative services to
21 Vision Consulting.

22 Q Had you and Adam discussed how
23 much of a percentage or what Greg would
24 receive if he did work for Gargoyle and also
25 for Vision Consulting?

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2 A Yes. We discussed the fact
3 that we were comfortable giving him ten
4 percent of Gargoyle in return for that work.

5 Q Did you and Adam discuss what
6 if Greg did not agree to do work for Vision
7 Consulting what other percentage you would
8 give him then as part of his work for
9 Gargoyle?

10 MR. FISHER: Objection. Can
11 you read that back?

12 MR. SHEA: I'll just withdraw
13 that and ask a different question.

14 Q Did you and Adam ever discuss
15 the possibility that Greg would not agree to
16 do work for Vision Consulting?

17 A I don't recall discussing that.
18 It was our view that the work for Vision
19 Consulting would be an extremely minor amount
20 of effort for someone of Greg's skills, and
21 that it was our belief that he would agree to
22 do that as part of the package.

23 Q Would Greg have received ten
24 percent of the net profits from Gargoyle
25 regardless of whether or not he assisted with

1 R. COHEN

2 Vision Consulting?

3 MR. FISHER: Objection as to
4 form. Calls for speculation.

5 A If he had agreed to help with
6 the Vision stuff and not delivered on that
7 promise then we would have had to have a
8 discussion. If he had negotiated a different
9 deal with us that didn't involve him doing
10 Vision I have no idea how that negotiation
11 would have gone.

12 Q And obviously Greg would only
13 receive compensation for his work if Gargoyle
14 was showing a net profit, correct?

15 A Correct.

16 Q Up until the time that Sagamore
17 Hill became partnered with Gargoyle was there
18 any discussion as to Greg Morgenweck receiving
19 any other type of compensation?

20 A Not to my recollection. It's
21 worth noting that there was enormous upside in
22 Gargoyle. We were working with a multi
23 billion dollar hedge fund and if performance
24 had been strong it was possible that we would
25 have very large amounts of money invested in

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2 the strategy and therefore, make tremendous
3 profits and that the profit share to Greg as
4 well as to Christopher and I would be
5 extremely large. So we were all working very
6 hard, and, of course, at the beginning for no
7 direct compensation. You're not getting paid
8 as you build a strategy, but we knew that if
9 things went well we could make a tremendous
10 amount of money and that was I think what got
11 Greg excited and got all of us excited.

12 Q Was the agreement that Greg
13 would receive ten percent of the net profits
14 from Gargoyle?

15 A Yes.

16 Q Was anyone else at Vision
17 Consulting doing the same task that Greg was
18 doing?

19 A Well, David Berger was working
20 on some related tasks and when Greg eventually
21 stopped working with us, which was after the
22 hedge fund had started, of course, David took
23 over all of those tasks, but there wasn't
24 somebody doing the exact same thing Greg was
25 doing.

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2 Q Before David Berger was there
3 anyone else?

4 A Before David Berger I guess
5 that probably Jordan and Adam and I did
6 whatever calculations we needed. If there was
7 anything Greg wasn't doing that David didn't
8 then the rest of us had to do it.

9 Q How would you describe Greg's
10 work product that he did for Gargoyle?

11 A I thought it was very good. Is
12 that what you mean?

13 Q Yes, the nature of the work.
14 How about the work that he did for Vision
15 Consulting, how would you describe the quality
16 of the work?

17 A I thought it was adequate.

18 Q Why do you say adequate?

19 A Well, on one hand the numbers
20 were useful to us and I was happy to have him
21 so that's why adequate in the positive sense.
22 In terms of why I wasn't as strongly positive
23 as I was towards the Gargoyle work number one,
24 the calculation errors we eventually
25 discovered obviously I was very disappointed.

1 R. COHEN

2 It's very important to be accurate in the
3 investment business. Second, I guess I would
4 say that when Greg left and ceased doing
5 anything for us David Berger reported to me
6 that within about a week he was able to
7 reconstruct everything, the ability to produce
8 all the numbers that Greg produced and in a
9 format that was somewhat more useful and so
10 forth. So it was our feeling I guess that
11 there might have been more satisfactory
12 approaches to producing those numbers than
13 working with Greg.

14 Q What do you mean there might
15 have been more satisfactory approaches than
16 working with Greg?

17 A I mean that after Greg left
18 when David started producing the numbers we
19 felt that the material was in a format that
20 was more useful to us and it was simpler in
21 that obviously if there's an extra step in the
22 communication, in other words, if David is
23 getting numbers from Greg then that's a
24 communication, that's a relationship that
25 David has to manage or that I have to manage

1 R. COHEN

2 talking to Greg. Once Greg wasn't there David
3 and I worked together without another person
4 to communicate with so it's that many fewer
5 emails to write and phone calls to make and
6 possibility for mis-communication. So we felt
7 we had a more satisfactory process without
8 Greg on that project and that's what I mean.

9 Q You said the format was simpler
10 to read?

11 A Right. Greg's output, his
12 snapshot output included many data items that
13 I never understood what they were for and I
14 found them rather confusing the format.

15 Q While he was doing or assisting
16 the hedge fund who did Greg interact with
17 directly?

18 A He would sometimes interact
19 with me, he would sometimes interact with
20 David, he would sometimes interact with Adam,
21 he probably interacted with Jordan as well.

22 Q You had said that when Greg
23 left there was just a direct communication
24 between you and David, therefore, lessening
25 the errors of mis-communication. Did it work

1 R. COHEN

2 when Greg was there that he would talk to

3 David and David would then talk to you?

4 A It depended what the question
5 was, but my point is that if Greg has some
6 information that both David and I need then
7 that's sort of two people who have to, it's
8 sort of more conversations that have to be had
9 to make sure that everybody understands the
10 same thing. You need a total of three
11 conversations for all three people to
12 communicate with each other. If there's only
13 two people it's one conversation. I'm just
14 making the point that it's simpler if you
15 don't have another person there. Obviously
16 the down side is that David then had to take
17 on that work. But as I said, he found that
18 not to be a major burden and that he was able
19 to reconstruct that work very quickly.

20 Q How many employees did the
21 Vision Opportunity Capital Management have
22 when it began in June of 2005?

23 A I don't recall.

24 Q Do you know if it was more or
25 less than ten?

1 R. COHEN

2 A It was less than ten.

3 Q Did you have someone who was in
4 charge of financial affairs such as keeping a
5 bank account, payroll?

6 A David Berger does that.

7 Q Was David Berger in charge of
8 payroll to the best of your understanding or
9 recollection?

10 A Yes. Fairly soon after joining
11 us David was given that task. There may have
12 been a period of time during which we didn't
13 want some people who just came on board to be
14 in charge of that critical function, but
15 certainly fairly soon after he came on board
16 he was put in charge.

17 Q Was the hedge fund a larger
18 undertaking than the consulting, Vision
19 Consulting?

20 A It's become larger. At the
21 time we started the hedge fund in part to
22 simplify the investing. Rather than having
23 multiple managed accounts it would be a single
24 fund. As the fund has grown, of course, it
25 has become a more complicated enterprise.

1 R. COHEN

2 Q When the hedge fund began in
3 June of 2005 at that time was it more involved
4 than the consulting?

5 A I would tend to say no, but it
6 was more involved in some ways and less
7 involved in other ways. As I said we started
8 in some ways to simplify matters, but
9 obviously it also has its own challenges. It
10 was more complicated in some ways and simpler
11 in others.

12 Q Did you ever have any
13 communications with Greg prior to his
14 assisting with the hedge fund about him
15 getting compensated for his assisting with the
16 hedge fund?

17 A I don't recall having any
18 conversations about him getting compensated
19 for working with the hedge fund.

20 Q Do you know if Adam had any
21 conversations or communications, whether it be
22 email, telephone, face to face conversations,
23 with Greg about compensation for Greg
24 assisting with the hedge fund prior to Greg
25 assisting with the hedge fund?

1 R. COHEN

2 A I believe that Adam had
3 conversations with Greg in which he made it
4 clear that his compensation was through
5 Gargoyle and that that was our current deal,
6 and that there could, of course, potentially
7 be a job for Greg at the hedge fund at some
8 point if the hedge fund was ever to be a big
9 enough enterprise that that made sense and it
10 worked for everybody. As I said before, the
11 possibility of Greg eventually working for the
12 hedge fund was discussed. I don't know if it
13 was discussed at the time of the launch of the
14 hedge fund. That may have not come up until
15 later, but it certainly was discussed at some
16 point. It's worth noting at the time of the
17 launch of the Vision hedge fund I believe that
18 Gargoyle was viewed as by far the more
19 promising of the two businesses. So the idea
20 that primary compensation would be through
21 Gargoyle was very sensible not only because of
22 the vast, vast majority of the work that Greg
23 was doing for Gargoyle, but also because that
24 was where the opportunity for big money was.
25 And also that was where immediate payments

1 R. COHEN

2 were the most likely to come because, in other
3 words, Sagamore Hill was making us regular
4 payments in addition to potential profit
5 participation. So in other words, Gargoyle
6 had both the advantage of sort of direct
7 guaranteed payments as opposed to the total
8 uncertainty of the hedge fund project as well
9 as being widely viewed as by far the more
10 likely to have a big upside.

11 Q You said Sagamore Hill was
12 making regular payments. What do you mean by
13 regular payments?

14 A Our agreement with Sagamore
15 Hill said they had to pay us a certain base
16 compensation. That may have been a draw
17 against the profit share, but they had to pay
18 us the base amount.

19 Q How often would they have to
20 pay you the base amount?

21 A The payments were somewhat
22 irregular. I think in principle they probably
23 should have been paying us quarterly or
24 monthly, but their payroll department wasn't
25 the best organized. So it would kind of be a

1 R. COHEN

2 thing where we could call and bug them and
3 eventually we would get payments and so forth,
4 but nevertheless the payments were made and
5 they paid us what they were supposed to pay us
6 and it amounted to a substantial amount of
7 money. I don't remember exactly what we got,
8 but it added up to a decent amount on the sort
9 of part you knew you were going to get which
10 was important to all of us. We really sort of
11 needed that short term money.

12 Q Who is Lisa Snow?

13 A Lisa Snow is the general
14 counsel and chief compliance officer of Vision
15 Capital Advisors.

16 Q Is she an employee?

17 A She is. Although she worked as
18 a consultant for us for a while before she
19 became full-time, but now she's been with us
20 for a considerable amount of time.

21 Q How long has she been an
22 employee?

23 A I think she joined us around
24 the end of '06. So it's certainly been over a
25 year, but I don't remember exactly how long it

R. COHEN

has been.

Q When you say she was an outside consultant was she working for somebody else?

A Not that I know of. As I said, this has been a regular pattern for us. We work with people and see if it's a good fit on both sides and sometimes it is and sometimes it isn't so this was an example of that.

Q When you said she came to you in the end of '06, did she come to you in the end of '06 as an employee?

A I believe she started consulting for us sometime in the summer or fall of '06 and that she became a full-time employee sometime in either fall of '06 or winter of '07. But again, I could be a little off on the dates.

Q Do you know how many hours Greg put in to assisting Vision Consulting?

A I don't know.

Q In terms of a daily basis, or a weekly basis, or a monthly basis?

A I do not know.

Q How about for the work that he

1 R. COHEN

2 did in assisting the hedge fund, do you know
3 how many hours?

4 A I don't know.

5 Q You talked about before that
6 you and Adam had talked to Greg about doing IT
7 for the hedge fund and things didn't work out,
8 correct?

9 A Right.

10 Q Who did the IT then after
11 things did not work out with Greg?

12 A As I mentioned, we didn't
13 really have tremendous IT needs and so what we
14 did was build systems ourselves and David
15 Berger did a lot of work on that, I did some
16 work, and over time we've added other staff
17 who have built other elements, but in the
18 short run David Berger and I did most of I
19 guess what was needed, and more David than me
20 probably.

21 Q Did Greg do any work on
22 building systems?

23 A No. We discussed with Greg the
24 possibility of buying his software and almost
25 succeeded in consummating that transaction.

1 R. COHEN

2 We met with him to sign a deal where we would
3 buy his software system, but then he walked
4 away from that deal and so, of course, we
5 never used any of his systems again.

6 Q When did you and David begin
7 building the systems?

8 A When Greg left. Well, actually
9 I would say even before Greg left. I think
10 David probably had begun creating some things
11 of his own just as a double check and to make
12 sure he had full understanding of what Greg
13 was doing. So I certainly don't know the date
14 at which he would have began doing that work.
15 Anybody who is working on a project is likely
16 to have some spreadsheets of their own where
17 they track things. After Greg left, of
18 course, we had to make sure that we had
19 everything so then David worked rapidly and as
20 I said in the next week or so he produced the
21 systems that we needed. Again to be clear we
22 didn't require a very elaborate system. We
23 had a relatively small number of holdings, we
24 do very little trading and so tracking
25 holdings is not very difficult. And then, of

1 R. COHEN

2 course, also we work with an administrator
3 which is Citi Group and they provide certain
4 kinds of information that's helpful to us and
5 so forth.

6 Q What systems were being used
7 prior to Greg leaving?

8 A I'm not sure how to answer
9 that. Do you want me to say the names of
10 spreadsheet documents?

11 Q I'm just trying to understand.
12 You said you and David built systems. What
13 type of systems did you build?

14 A Spreadsheets.

15 Q What spreadsheets were being
16 used before the ones that you and David built?

17 A Well, David had spreadsheets
18 and then he sought my advice so when I say I
19 and David built those spreadsheets the process
20 would primarily be David might work on a
21 spreadsheet and he might call me with
22 questions and I would give him advice and I
23 would say we need this in there. So over time
24 David has built up a set of spreadsheets that
25 track our holdings. And as I say, he works

1 R. COHEN

2 with our administrator and there have been
3 other people in our firm in subsequent years
4 who have gotten involved with building things.

5 Q When Greg was there what
6 spreadsheets was he using?

7 A My understanding is that Greg
8 doesn't generally work with spreadsheets and
9 that he works with a database system. So he
10 would work with a database and then the
11 database would produce an output file which
12 was, as I say, equivalent to a PDF file.
13 Either a PDF or this equivalent type of file
14 which has the character that you can't change
15 the file. It's just telling you the numbers,
16 it's like having a piece of paper. So I never
17 saw any of Greg's databases and never had any
18 of them on my computer or anything like that.
19 Those were Greg's databases and, of course,
20 when we were done working with him I don't
21 even think we had any of the databases at all
22 on our computers.

23 Q So I guess the answer to my
24 question is the systems that Greg was using
25 when he was there was the databases that he

1 R. COHEN

2 created?

3 A Right.

4 Q You said that when Greg was
5 leaving you were trying to purchase Greg's
6 systems. Was that his databases that we were
7 just talking about?

8 A Right. Since Greg was leaving
9 we wanted David to be able to use Greg's
10 database to produce the output that Greg was
11 producing, but since that didn't work out we
12 reproduced it using spreadsheets instead of
13 databases because David and I are more
14 familiar with spreadsheet than database
15 programs. It turned out actually to be
16 reasonably straightforward to produce that.

17 Q Was there any difference
18 between what you and Adam talked to Greg about
19 what you wanted him to do for the hedge fund
20 and what he'd end up doing for the hedge fund?

21 MR. FISHER: Objection.

22 A I don't have any particular
23 recollections on that score. I mean, we may
24 have talked to him about some things and said
25 can you do this and he couldn't or wouldn't.

1 R. COHEN

2 I don't know, but I mean he did what he did.

3 Q When you and Adam talked to
4 Greg about doing IT for the hedge fund what
5 did you talk about; what types of things did
6 you want him to do for the hedge fund?

7 A What would he have done if he
8 had come and joined us?

9 Q Yes.

10 A Well, if Greg had joined us we
11 might have built more sophisticated types of
12 systems that would have benefited us if the
13 business grew more complicated. It might have
14 enabled us to think about doing other kinds of
15 things with our business and the business
16 might have grown differently if Greg had been
17 involved, but since he wasn't we pursued the
18 path we pursued.

19 Q What do you mean the business
20 may have grown more differently if he was
21 there?

22 A You just don't know. Obviously
23 if you have another person involved in your
24 business that gives you certain capabilities
25 and maybe you would pursue those, maybe you

1 R. COHEN

2 would say oh my gosh, with this quality of IT
3 infrastructure we can start five funds instead
4 of one. But otherwise that would be too
5 complicated since you don't have that
6 infrastructure. I'm not saying we would have
7 started five funds, but just to say that Adam
8 and I hoped to build a very successful fund or
9 family of funds and so if we had had Greg
10 involved then that would have strengthened the
11 sort of backbone of something like that. So
12 even though at the time our IT needs were
13 pretty minimal we were looking for the future
14 and we were interested in doing something with
15 Greg that might have been beneficial down the
16 line, but it didn't happen.

17 Q Putting aside what you
18 envisioned what you may have done or possibly
19 could have done if Greg was involved what was
20 the immediate need for Greg when you and Adam
21 talked to him about doing IT for the hedge
22 fund?

23 A Well, given what I know now I
24 would say we didn't really have that need. It
25 turned out that everything went fine without

1 R. COHEN

2 him. But as I say, at the time we thought he
3 would do what he had been doing and that over
4 time as our business grew there would be more
5 things for him to do.

6 Q What role would he have in the
7 possible expansion of the business? What did
8 you and Adam envision Greg's role as to the
9 possible expansion of the business?

10 A Well, he would have been doing
11 our information technology. You may have a
12 situation where in the short run your needs
13 are small, but we believe that when you're
14 trying to build a business that you want it to
15 ideally be very strong in all areas. We knew
16 that Greg had had important jobs in IT at big
17 investment firms before and so we thought,
18 well, if we become a big investment firm we'll
19 need somebody like Greg and Greg is somebody
20 we know so perhaps he's an appropriate person
21 for that role, but it didn't work out.

22 Q When it didn't work out with
23 Greg did you seek out anybody else to fill
24 that role?

25 A No.

1 R. COHEN

2 Q Why not?

3 A We discovered very rapidly, as
4 I say, it took us a very short time to produce
5 a set of spreadsheets that gave us as good or
6 better results from what we had been getting
7 from Greg and so we realized that our need for
8 IT infrastructure was minimal in the short run
9 and so we decided that other priorities were
10 more important. In other words, when we were
11 trying to work something out with Greg what we
12 thought is we need somebody in the short run
13 that's maybe a lot less than full-time work,
14 but it's important and in the long run we'll
15 need full-time so let's hire a full-time
16 person now that's kind of overkill for the
17 short run, but will tee us up for the long
18 run. When Greg left we discovered very
19 rapidly that we didn't have a need for
20 somebody in the short run at all. So then we
21 said since there's no short run need it
22 doesn't make sense, the dual nature of the
23 benefit of the hire is gone. The only benefit
24 is the long run benefit and then, of course,
25 within a certain business you have many short

1 R. COHEN

2 run needs so it didn't make sense to direct
3 the resources there given that there was no
4 short run.

5 Q You had this conversation, you
6 and Adam, where you discussed Greg working for
7 the hedge fund in IT prior to June of 2005?

8 A The conversation that I'm
9 talking about about Greg and IT were right at
10 the end before he left us. That is to say we
11 had a period within I think a few months
12 before he left us where we discussed with Greg
13 quite seriously the possibility of him joining
14 us and then we weren't able to come to an
15 agreement on that. So then given that he
16 couldn't join us I think we had the impression
17 maybe Greg had other job opportunities and so
18 then he wanted to make a deal to sell us his
19 database system so that he could get some
20 money and then pursue other opportunities. So
21 that's when we tried to make a deal to buy his
22 database.

23 Q Did you ever have conversations
24 with Greg or any type of communication with
25 Greg prior to June of 2005 about him coming to

1 R. COHEN

2 work for the hedge fund?

3 A I don't recall any such
4 conversations. It's perfectly plausible that
5 something we could have said to him is hey, if
6 this works out really well and if the fund
7 grows a lot maybe you'll end up here, but I
8 doubt we would have had those conversations
9 prior to June of '05 because at that time, as
10 I mentioned before, Gargoyle was extremely
11 promising. It's unlikely that someone in
12 Greg's situation would have thought that it
13 would be a good idea to come to work for the
14 Vision Fund because Gargoyle had both more
15 immediate money coming in and much more upside
16 from I think the perspective that Greg would
17 have taken or that most people would have
18 taken at that time. So I doubt that there
19 would have been a lot of chatter about Greg
20 joining Vision because that would have
21 required sort of leaving Gargoyle if he was
22 going to join Vision full-time. I think those
23 conversations would have occurred later after
24 Sagamore Hill had its problems. So late '05
25 is when Greg saw that Gargoyle wasn't turning

1 R. COHEN

2 out as we had hoped and on the other hand
3 Vision was exceeding expectations and I think
4 that's when Greg became interested in getting
5 more involved with Vision. So we had those
6 conversations and it didn't work out.

7 Q You said that you wouldn't
8 think someone in Greg's position would want to
9 leave Gargoyle and work for the hedge fund.
10 What do you mean Greg's position?

11 A I mean to say Gargoyle was a
12 very promising enterprise. You had two
13 professors from elite institutions. One who
14 already had experience running a quantitative
15 investment strategy working together with an
16 elite multi billion dollar hedge fund to
17 implement a highly scaleable strategy and with
18 a deal with that hedge fund that was quite an
19 attractive deal in terms of our profit
20 participation. So if you were sitting in
21 Greg's chair at that time you would have
22 looked and said this is a fantastic
23 opportunity. Then if you looked at Vision
24 what you would see is an organization that was
25 not nearly as compelling. There was no multi

1 R. COHEN

2 billion dollar hedge fund working with Vision.
3 There was Adam who had not been a portfolio
4 manager in his career, he was a trader, and
5 then there was me whose expertise was in quant
6 strategies and not in the kind of direct
7 investing that Vision was doing and we didn't
8 have the resources behind us of a multi
9 billion dollar firm. We didn't have checks
10 coming in quarterly or whatever to guarantee
11 payment from that multi billion dollar firm.
12 So any reasonable person sitting in Greg's
13 perspective in early to mid '05 would have
14 looked and said Gargoyle is where the action
15 is. And that's why, obviously I can't read
16 Greg's mind, but it was my belief at the time
17 and it's still my belief that's why Greg was
18 happy to do the deal because he was getting a
19 percentage of the real attractive business and
20 then giving a little help on the side to the
21 more speculative business now and again. Six
22 months later things looked different because
23 of the very surprising events at Sagamore Hill
24 had put Gargoyle in a much weaker position and
25 also things were going well at Vision so I

1 R. COHEN

2 think that's when perspective changed which is
3 understandable.

4 Q You said that he would have to
5 leave Gargoyle if he was going to work for the
6 hedge fund. Why?

7 A No, I said he would have to
8 leave Gargoyle if he was going to work for the
9 hedge fund full-time because by definition
10 full-time is full-time.

11 Q Do you think he would have had
12 to work full-time if he went to the hedge
13 fund?

14 A Are you asking me whether Greg
15 could have come to us with a proposal to work
16 more for the hedge fund and less and less for
17 Gargoyle? I can't speculate as to how that
18 conversation would have gone.

19 Q Did you ever discuss with Greg
20 about any possible compensation he would have
21 received if he had went to work for the hedge
22 fund?

23 A No.

24 Q Do you know if Adam had any
25 conversation or communication with Greg about

1 R. COHEN

2 compensation he would have received if he
3 worked for the hedge fund?

4 MR. FISHER: Objection. What
5 his compensation would have been had he
6 decided to come to the hedge fund
7 full-time?

8 MR. SHEA: Had he decided to
9 work for the hedge fund.

10 A During the period at sort of
11 the end of our time working with Greg when we
12 were having those discussions it's possible
13 that he and Adam talked specifically about
14 what compensation might be under those
15 circumstances. To my recollection the big
16 sticking point was Greg's unwillingness to
17 come to New York. So you could imagine that
18 if that became an absolute for Greg then there
19 wouldn't have been much purpose in talking
20 about dollars and cents. But it's certainly
21 also possible that Adam said hey, for this
22 many dollars and cents would you consider
23 coming to New York. So I couldn't say whether
24 Adam did throw out some numbers or not, I'm
25 not sure.

1 R. COHEN

2 (Whereupon, a short recess was
3 taken.)

4 EXAMINATION BY

5 MR. SHEA:

6 Q Was Christopher Polk involved
7 with Vision Consulting at all?

8 A No.

9 Q How about the hedge fund?

10 A No.

11 Q Did Adam receive any
12 compensation from Gargoyle?

13 A No.

14 Q At any point in time did Greg
15 Morgenweck ever complain or say anything to
16 you about not getting paid for work that he
17 did for Vision Consulting?

18 A I know there were complaints.
19 I can't recall whether he directly complained
20 to me or whether I just heard about the
21 complaints through Adam, but I know there was
22 some discussion there.

23 Q Do you know when you first
24 learned of the complaint?

25 A I don't recall.

1 R. COHEN

2 Q Do you know if it was while
3 Greg was still working there?

4 A Yes, it was.

5 Q Do you know if it was before
6 June of 2005?

7 A I don't know, but I would guess
8 it probably was.

9 Q Do you know if the complaints
10 were for his not getting paid for work he did
11 for Vision Consulting, or for the hedge fund,
12 or for both?

13 A My recollection is that at a
14 certain point Greg just wanted money for
15 anything he could get money for and he started
16 complaining. He was just trying to convince
17 Adam that he should get money for something.

18 Q Do you have any recollection of
19 having conversations with Greg about him
20 wanting money?

21 A My recollection is that if the
22 conversation like kind of even went a little
23 in that direction I said that he should talk
24 to Adam and that Adam was good to negotiate
25 that.

1 R. COHEN

2 Q Are you aware if Adam had
3 conversations or communications with Greg
4 Morgenweck about Greg's complaints about not
5 getting paid?

6 A Adam told me he had
7 conversations about that.

8 Q When was the first time that
9 Adam and you had a conversation regarding that
10 matter?

11 A I don't recall.

12 Q Do you know how many
13 conversations you and Adam had about that
14 issue?

15 A I'm sure there were at least
16 ten.

17 Q I'm not going to ask you about
18 each and every one, but could you tell me
19 generally what the conversations entailed?

20 A Generally the conversation was
21 that Adam would explain to Greg that the deal
22 we had was that Greg wasn't paid on Vision.
23 That there was the possibility that Greg could
24 at some future point do something with Vision,
25 but that that wasn't something that was

1 R. COHEN

2 currently happening and that the compensation
3 now was coming from Gargoyle and that Gargoyle
4 would pay him everything he was owed. But at
5 a certain point as Vision started to do
6 better, and I would say probably accelerating
7 Gargoyle or maybe starting to, but certainly
8 related to both Vision doing better than
9 expected and Gargoyle doing somewhat, I won't
10 say worse than expected, but certainly worse
11 than hoped, Greg started to try to convince
12 Adam that Adam should give him money.

13 Q Did Adam tell you what Greg
14 said to him how he would try to convince him
15 to give him money?

16 A My recollection is that Adam
17 said he put a lot of emphasis on how much he
18 needed money and how his financial situation
19 was really difficult and he really needed
20 money and wanted money and that Adam should
21 give him money.

22 Q You said that Adam had
23 conversations with Greg about possibly doing
24 something with Vision. Are these
25 conversations that he had with Greg after Greg

1 R. COHEN

2 made the complaints about not getting paid?

3 A As I've said before, I don't
4 know when the subject first came up of Greg
5 becoming heavily involved in Vision. I'm sure
6 that we had those conversations in late 2005
7 probably into early 2006 or sometime around
8 that period, fall '05 or winter '06 because I
9 remember Greg coming up to New York for a
10 couple of days and I remember being involved
11 in some conversations about Greg possibly
12 moving to New York. So I know those
13 conversations occurred, but I don't know when
14 the first conversation of that type occurred.

15 Q Do you know if Adam ever said
16 to Greg that the work that Greg did for Vision
17 Consulting and the hedge fund was as a favor
18 to Adam?

19 A I don't know if he ever said
20 that.

21 Q Did Greg ever tell you that
22 Adam told him that?

23 A I don't remember a conversation
24 where that word was used, but I guess what I
25 would say is that it was our notion that the

1 R. COHEN

2 work for Vision was a small add on that was
3 being done over and above the Gargoyle work
4 which was a large amount of work. So while we
5 certainly viewed it as being part of the deal
6 with Gargoyle, and so the word favor in that
7 sense would not be entirely inappropriate.

8 You could imagine in a casual way that word
9 being used in the way that, for example, you
10 might say to your secretary could you do me a
11 favor and go FedEx this to so and so.

12 Obviously it's part of her job perhaps to send
13 things for you, but at the same time you would
14 say let's do that as sort of a little extra
15 thing. Maybe for example if you asked her to
16 stay late to do it or something then you'd say
17 do me a favor and send this email so I think
18 that it's possible that I would have used that
19 had term in a casual sense.

20 Q Did you and Adam ever have
21 conversations about what if the work Greg was
22 doing for Vision Consulting or the hedge fund
23 became more involved giving Greg additional
24 compensation?

25 A I don't recall having that

1 R. COHEN

2 conversation as such. I don't recall
3 specifically discussing that.

4 MR. FISHER: Just in response
5 to Mr. Shea's questions you should
6 state whether you recall or you don't
7 recall. Unless Mr. Shea asks you I
8 would ask you not to speculate as to
9 whether some event is possible or
10 plausible. Just stick to what you
11 know.

12 THE WITNESS: Okay.

13 Q At any time during this time
14 period did you consider possibly compensating
15 Greg for the work he was doing for Vision
16 Consulting and for the hedge fund if the
17 amount of work grew to be more than what you
18 thought it was initially going to be?

19 MR. FISHER: Objection.

20 A I don't recall having any
21 thoughts or discussions of that.

22 Q The work that Greg did for
23 Vision Consulting, did that have any value to
24 Vision Consulting at the time?

25 A It had some value. As I say,